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6 Attorneys for Robert S. Whitmore Chapter 7 Trustee
for the Bankruptcy Estate of Bausman and Company
7 Incorporated
8

9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 RIVERSIDE DIVISION
12

13 In re:

14 BAUSMAN AND COMPANY
INCORPORATED,

15 Debtor.
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Case No. 6:17-bk-10724-MH

Chapter: 7

MOTION FOR ORDER APPROVING THE
SALE OF PERSONAL PROPERTY OF THE
BANKRUPTCY ESTATE FREE AND
CLEAR OF LIENS; MEMORANDUM OF
POINTS AND AUTHORITIES; AND
DECLARATION OF ROBERT S.
WHITMORE IN SUPPORT THEREOF.

(Filed concurrently with an Application for
Order Shortening Time on Hearing.)

Hearing:

(To be set by notice.)

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I.

**MOTION FOR ORDER APPROVING THE SALE OF PERSONAL PROPERTY OF THE
BANKRUPTCY ESTATE FREE AND CLEAR OF LIENS AND INTERESTS**

Robert S. Whitmore Chapter 7 Trustee (the "Trustee") for the bankruptcy estate of Bausman and Company Incorporated, moves the Court for an Order approving and authorizing the sale of a used Torit "484 RFW-12" Reverse Air Pump Filter (the "Air Filter") to Ex-Factory (the "Buyer"), free and clear of liens and encumbrances, if any, with such liens and encumbrances attaching to the proceeds of said sale to the same extent, nature and validity as to the original alleged collateral. Trustee seeks to sell such Air Filter pursuant to 11 U.S.C. §363(b) §363(f) and §363(m).

The Trustee does not believe it is prudent or necessary to attempt to resolve by judicial determination, any disputes with the holders of any disputed liens and encumbrances by Court order or judgment prior to the sale. The unresolved disputed Liens and Encumbrances, if any, are subject to bona fide disputes as set forth in more detail below. The Bankruptcy Code authorizes the Trustee to sell free and clear of such interests under 11 U.S. C. 363(f). If the Estate is forced to wait for resolution of the disputes the sale at this price may not occur. The Trustee has been informed by the broker for the buyer that time is of the essence and that the buyer may back out of the deal if the motion is not set on shortened time. Another buyer at this price would be difficult if not impossible to find. It is absolutely essential for the Trustee to be able to quickly liquidate the Estate's interest in the Air Filter for its maximum possible value.

The Trustee has sold similar dust collection systems in the past and is familiar with their value. As an example in the auction of the assets of Luxe Cabinetry LLC (bankruptcy case number 6:11-bk-21374-DS) the same model Air Filter sold at auction for \$5,100 and two (2) other models sold for \$4,001 and \$2,200 respectively. In addition, the sale is to a third party without incurring broker fees, commissions or other expenses. Based upon the fact that the system is already dismantled and ready for transport he believes that the price is *very* fair and reasonable.

///

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A. Statement of Facts.

1. On or about January 30, 2017 (the “Petition Date”), Bausman and Company Incorporated (the “debtor”), filed a petition for relief under Chapter 11 of the Bankruptcy Code and was assigned case number 6:17-bk-10724-MH (the “Chapter 11 Case”).

2. On September 27, 2017 the Chapter 11 Case was converted to a case under Chapter 7 (the “Estate”)

3. Robert S. Whitmore is the duly appointed and acting Chapter 7 Trustee for the Estate.

4. This Court has jurisdiction in this matter pursuant to 28 U.S.C. §§1334 and 157.

B. Air Filter to be sold.

1. The debtor has a fee ownership interest in a Torit “484 RFW-12” Reverse Air Pump Filter (the “Air Filter”) located at 1500 Crafton Avenue, Mentone, California 92359.

2. The Air Filter is approximately thirteen feet (13’) wide and forty-five feet (45’) tall. Because of its size the Air Filter it is costly and difficult to dismantle, transport and reinstall. In most cases rather than sell the used Air Filters, they are abandoned or sold for their scrap value. (See Declaration of Robert S. Whitmore at ¶7.) However, because the system is already dismantled and ready for transport there is some real value as reflected in the proposed purchase price.

C. Terms of the Sale.

1. The terms of the sale are evidenced by the Purchase Order from Ex-Factory, Inc. (“Buyer”) a true and correct copy of which is attached hereto as **Exhibit 1**. In summary the terms of the sale are as follows:

a. The Estate is selling the Air Filter “As is”;

b. The Buyer shall pay to the Trustee the purchase price of \$50,000 to be paid as follows:

(1) The Trustee has received the Buyer’s deposit in the amount of \$5,000 (the “Deposit”);

(2) The Deposit is refundable if any substantial items (essential to the

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operation of the Air Filter) are missing and not replaced; and

(3) The Buyer will pay the \$45,000 balance to the Trustee prior to
arranging pickup of the Air Filter.

c. The Buyer will arrange loading/transportation and rigging.

d. The Trustee will provide the Buyer with the name of the company which
performed the rigging to the existing premises.

D. Buyer is a good faith purchaser.

The Trustee believes that the Buyer is a good faith purchaser and that this sale qualifies
for a finding of good faith under 11 U.S.C. § 363(m). As a result, the Trustee requests a finding
that 363(m) applies.

E. Treatment of Secured Creditors.

The Trustee has conducted an investigation into the Books and Records of the debtor, its
bankruptcy Petition and Schedules as well as performed lien search in the State of California (A
copy of that lien search is attached hereto as **Exhibit "2"**) which reveals the following lien
claimants:

1. The Internal Revenue Service: Lien upon all assets of the debtor. For 940 and 941
taxes and civil penalties in the amount of \$41,949.27. *This lien was filed on February 24, 2017,
twenty-five (25) days after the filing of the debtor's bankruptcy petition on January 30, 2017.* The
Trustee asserts that this lien was filed in contravention of the automatic stay (11 U.S.C. §362) and
is, therefore, void.

2. Walker Greenbank, Inc. d/b/a Arthur Sanderson and Sons NA, Ltd., Inc. A lien
upon samples books and other items that are not the subject of this sale.

3. A Notice of Judgment Lien in the amount of \$42,004.62, filed by the Labor
Commissioner of the State of California on December 28, 2016. *A lien upon all assets of the
debtor.* This lien was filed within ninety (90) days of the filing of the debtor's bankruptcy. *The
Trustee asserts that this lien is avoidable pursuant to 11 U.S.C. §547(b)(4)(A).*

4. Summit Financial Resources. A lien upon all assets of the debtor. The debtor lists
the amount of this lien as "unknown" upon his schedules. The Trustee is informed and believes

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1 that the balance due to this creditor is \$436.00, and that Summit Financial consents to the sale of
2 this asset. This lien will be paid upon consummation of the sale and Trustee seeks authority to do
3 so.

4 5. Financial Pacific Leasing, Inc. A lien upon equipment and other personal
5 property, relating to Financial Pacific Leasing, Inc.'s Contract #001-0963589-301, dated
6 08/22/2014, between the debtor and secured party together with all attachments, additions,
7 accessories, substitutions and replacements thereto. After consultation with Nicole Miller, Loss
8 Recovery Agent for Financial Pacific Leasing, the Trustee is informed and believes that there are
9 no amounts due upon this lien, in that all amounts have been paid in full and that this creditor will
10 consent to the sale of this asset.

11 6. RCL Funding a division of Navitas Lease Corp., ISAOA. A lien upon computer
12 and office equipment and other items which are not the subject of this sale motion.

13 WHEREFORE, the Trustee requests that the Court conduct and approve the sale of the
14 Property, grant the Trustee full authority to take any and all actions necessary to complete the
15 transaction; a finding that this sale qualifies for a finding of good faith under 11 U.S.C. § 363(m);
16 and a finding that the Buyer is good faith purchaser and a finding that 11 U.S.C. §363(m) applies.
17 Trustee further seeks authority to pay the lien of Summit Financial Resources as indicated above.

18 Dated: November 9, 2017

BEST BEST & KRIEGER LLP

19
20
21 By: 

FRANKLIN C. ADAMS
Attorneys for Robert S. Whitmore Chapter
7 Trustee for the Bankruptcy Estate of
Bausman and Company Incorporated

II.

MEMORANDUM OF POINTS AND AUTHORITIES

The Trustee herein, Robert S. Whitmore, seeks to sell the Air Filter, property of the
bankruptcy estate free and clear of liens and interests.

**A. THE BANKRUPTCY COURT HAS THE AUTHORITY TO AUTHORIZE THE
SALE OF ASSETS OUTSIDE THE ORDINARY COURSE OF BUSINESS
PURSUANT TO §363(b)(1).**

Title 11 of the United States Code, section 363(b)(1) provides that "[t]he trustee, after
notice and a hearing, may use, sell, or lease, other than in the ordinary course of business,
property of the estate. Property of the estate, as defined in 11 U.S.C. §541(a), includes all legal or
equitable interest of the debtor in property as of the commencement of the case, regardless of
where the property is located, or by whom it is held.

This Court's power to authorize the subject sale under §363(b) of the Bankruptcy Code is
to be exercised at its discretion. See *In re Lionel Corp.*, 722 F.2d 1063, 11069 (2d. Cir. 1983); *In
re Coastal Cable T.V., Inc.*, 24 B.R. 609, 611 (Bankr. 1st Cir. 1982); rev. on other grounds, 709
F.2d 762 (1st Cir. 1983); *In re Baldwin United Corp.*, 43 B.R. 888, 905 (Bankr. S.D. Ohio 1984);
In re Ancor Exploration Co., 30 B.R. 803, 808 (Bankr. N.D. Okla. 1983).

The standard to be applied in determining whether a sale should be authorized under
363(b)(1) is whether such sale is in the best interest of the estate and whether the price is fair and
reasonable. See *In re Canyon Partnership*, 55 B.R. 520 (Bankr. S.D.Cal. 1985). A trustee is
given substantial deference and discretion in this regard. See *id.* In *Lionel*, the court held that for
the court to exercise proper discretion, a good business reason must be shown. *Id.* Further, the
court stated that the discretionary power was available to further the interests of the debtor, its
creditors, and its equity security holders. See *id.* at 1071. The court specifically rejected prior
Second Circuit authority under the Bankruptcy Act which mandated a showing of an emergency
before the court would approve a sale outside the ordinary course of business. See *id.* at 1068.

The Second Circuit in *Lionel* noted that in enacting the Code, Congress had dropped the
requirement that the approval of a sale outside the ordinary course of business depends upon a

1 showing of cause because the Second Circuit interpreted congress' change to reflect an intent to
2 allow sales under § 363(b) more readily than sales under the Act. *See id.* at 1069. Accordingly,
3 the Trustee must merely demonstrate a good business reason for selling the property.

4 A proposed use, sale or lease of property under 363(b) is appropriate if some "articulated
5 business justification" exists for the transaction. *See Institutional Creditors of Continental Air*
6 *Lines, Inc. v. Continental Air Lines, Inc. (In re Continental Air Lines, Inc.)*, 780 F.2d 386, 390
7 (5th Cir. 1986); *Stephens Indus., Inc. v. McClung (In re McClung)*, 789 F.2d 386, 390 (6th Cir.
8 1986). Trustee has a sound business reason for selling the Property, because the Trustee believes
9 the proceeds of such sale will create a fund out of which administrative expenses and creditors of
10 this estate may be paid or satisfied.

11 Therefore, the Trustee believes that the proposed sale by auction is reasonable and in the
12 best interest of the estate and its creditors.

13 **B. THE SALE CONSTITUTES A GOOD FAITH PURCHASE.**

14 Section 363(m) of the Bankruptcy Code provides that:

15 The reversal or modification on appeal of an authorization under
16 subsection (b) or (c) of this section of a sale or lease of property
17 does not affect the validity of a sale or lease under such
18 authorization to an entity that purchased or leased such property in
19 good faith, whether or not such entity knew of the pendency of the
20 appeal, unless such authorization and such sale or lease were
21 stayed pending appeal.

22 In other words, if a buyer purchases property of the bankruptcy estate in good faith (with
23 "good faith" being determined according to the facts of each individual case), the order
24 authorizing the sale of such property may not be reversed or modified after consummation of the
25 sale, and any appeal of the bankruptcy court's order will be dismissed as moot. In this instance,
26 the Buyer is making an offer in good faith for purchase of the Property. As set forth above, as
27 well as in the accompanying Motion, the Trustee is presently unaware of any other party or
28 parties other than those set forth in the Motion who assert or hold an interest in the Property.
Accordingly, the Trustee asserts that the proposed sale constitutes a good faith purchase pursuant
to 11 U.S.C. § 363(m).

///

1 **C. THIS SALE MAY PROCEED UNDER 11 U.S.C. §363(f).**

2 This sale may proceed free and clear of liens and encumbrances because the liens of the
3 creditors who hold a security interest in the Property are in dispute. Thus satisfying the
4 requirements of 11 U.S.C. §363(f)(4).

5 § 363. Use, sale, or lease of property

6 ... (f) The trustee may sell property under subsection (b) or (c) of
7 this section free and clear of any interest in such property of an
entity other than the estate, only if-- ...

8 (4) such interest is in bona fide dispute; ...

9 Here, each of the liens referenced above is either the subject of a bona fide dispute, is not
10 applicable to the property to be sold, the secured creditor consents or will be paid in full from the
11 sale proceeds.

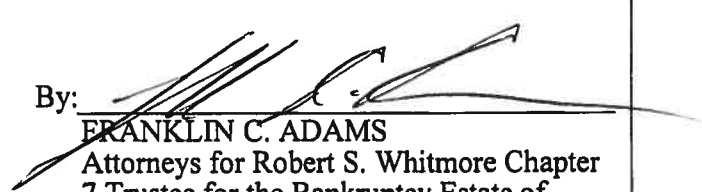
12 **III.**

13 **CONCLUSION.**

14 Based upon the foregoing Memorandum of Points and Authorities, the Trustee
15 respectfully requests that this Motion be granted and that the relief requested be authorized by this
16 Court.

17 Dated: November 9, 2017

BEST BEST & KRIEGER LLP

19 By: 
20 FRANKLIN C. ADAMS
21 Attorneys for Robert S. Whitmore Chapter
22 7 Trustee for the Bankruptcy Estate of
23 Bausman and Company Incorporated
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IV.

DECLARATION OF ROBERT S. WHITMORE

I, Robert S. Whitmore, declare as follows:

1. I am the duly appointed and acting Chapter 7 Trustee of the Bankruptcy Estate of Bausman and Company Incorporated. I have personal knowledge of the following facts and, if called as a witness, could and would testify competently to them.

2. In my capacity as Trustee of the within bankruptcy estate, I am the proposed Seller of the bankruptcy estate's interest in the used Torit "484 RFW-12" Reverse Air Pump Filter (the "Air Filter") to Ex-Factory, Inc. (the "Buyer") described in the attached Motion for order approving the sale by auction of personal property of the bankruptcy estate free and clear of liens and interests; and Memorandum of points and authorities (the "Motion").

3. It is absolutely essential to be able to quickly liquidate the Estate's interest in the Air Filter for its maximum possible value. I have been informed by the broker for the buyer that time is of the essence and that the buyer may back out of the deal if the motion is not set on shortened time. Another buyer at this price would be difficult if not impossible to find.

4. The debtor maintains a fee ownership interest in the Air Filter located at 1500 Crafton Avenue, Mentone, California 92359.

5. While evaluating the equipment at the debtor's business location, I sought and obtained proposed values for the Air Filter when sold with other assets of the debtor, the following is a list of the proposals received:

a. The First Estimate: All of the assets of the debtor (including the Air Filter) approximately individual 250 items, if sold at auction as 75 classes of equipment, the gross proceeds was estimated as being within the range of \$90,000 to \$120,000, less a 15% commission and less estimated costs of \$57,525, which reduces amount of available funds to the estate to between \$18,975 to \$50,475.

b. The Second Estimate: Another auction company offered three proposals.

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1 The First Proposal is an outright purchase of all of the Assets¹ of the debtor for \$60,000.
2 The Second Proposal being an auction with the estate receiving a guaranteed sum of
3 \$50,000 and if the auction results in sales in excess of \$75,000 the amount over \$75,000 to
4 be shared by the Estate and the auctioneer equally. The Third Proposal being a
5 commissioned sale, where the auctioneer retains 10% of the selling price with the first
6 \$25,000 as a flat fee.

7 6. I have sold similar dust collection systems in the past and I am familiar with their
8 value. As an example in the auction of the assets of Luxe Cabinetry LLC (bankruptcy case
9 number 6:11-bk-21374-DS) the same model Air Filter sold at auction for \$5,100 and two (2)
10 other models sold for \$4,001 and \$2,200 respectively. Further, this sale is to a third party without
11 incurring broker fees, commissions or other expenses. Based upon the fact that the system is
12 already dismantled and ready for transport I believe that the price is *very* fair and reasonable.

13 7. The Air Filter is approximately thirteen feet (13') wide and forty-four feet (44')
14 tall. Because of its size the Air Filter it is costly and difficult to dismantle, transport and reinstall.
15 In most cases rather than sell the used Air Filters, they are abandoned or sold for their scrap value
16 because of the costs of dismantling and transport.

17 8. I am requesting authority to sell the Air Filter to the Buyer for Fifty Thousand
18 Dollars (\$50,000), "As Is", with all Liens and Encumbrances upon the Air Filter to be
19 unconditionally released, discharged and terminated, and with any Liens and Encumbrances to
20 attach only to the proceeds of the sale with the same priority, validity, force and effect as they
21 existed with respect to the Air Filter prior to the sale. I do not believe it is prudent or necessary to
22 attempt to resolve by judicial determination, any disputes with the holders of any disputed Liens
23 and Encumbrances by Court order or judgment prior to the sale. The unresolved disputed Liens
24 and Encumbrances, if any, would be subject to a bona fide dispute for which the Bankruptcy
25 Code authorizes the me as the Trustee to sell free and clear of such interests under 11 U.S. C.
26 363(f). If the Estate is forced to wait for resolution of the disputes, if any, the I will lose the
27

28 ¹ The Assets are as described in paragraph 5(a), supra.

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1 opportunity to capitalize on the current interest from the Buyer and the Estate will expend further
2 funds to list and market the Air Filter for sale, and may incur the additional expense of sale by
3 auction, which will dilute the amount of funds available for the Estate.

4 9. I am selling the property in an "as is" condition and, therefore, make no warranties
5 or representations whatsoever as to the condition or character of the Air Filter.

6 10. Pursuant to the sale contract, a true copy of which is attached to the Motion as
7 Exhibit 1, the Buyer has delivered to me the deposit of five thousand dollars (\$5,000).

8 11. I am informed and believe that the following liens were filed with the State of
9 California Secretary of State:

10 a. The Internal Revenue Service: Lien upon all assets of the debtor. For 940
11 and 941 taxes and civil penalties in the amount of \$41,949.27. *This lien was filed on*
12 *February 24, 2017, twenty-five (25) days after the filing of the debtor's bankruptcy*
13 *petition on January 30, 2017.* The Trustee asserts that this lien was filed in contravention
14 of the automatic stay (11 U.S.C. §362) and is voidable.

15 b. Walker Greenbank, Inc. d/b/a Arthur Sanderson and Sons NA, Ltd., Inc. A
16 lien upon sample books and other items that are not subject of this sale.

17 c. A Notice of Judgment Lien in the amount of \$42,004.62, filed by the Labor
18 Commissioner of the State of California on December 28, 2016. *A lien upon all assets of*
19 *the debtor.* This lien was filed within ninety (90) days of the filing of the debtor's
20 bankruptcy. *The Trustee asserts that this lien is avoidable pursuant to 11 U.S.C.*
21 *§547(b)(4)(A).*

22 d. Summit Financial Resources L.P. A lien upon all assets of the debtor. The
23 debtor lists the amount of this lien as "unknown" upon his schedules. The Trustee is
24 informed and believes that the balance due to this creditor is \$436.00, and that the creditor
25 consents to the sale of this asset.

26 e. Financial Pacific Leasing, Inc. A lien upon equipment and other personal
27 property, relating to Financial Pacific Leasing, Inc.'s Contract #001-0963589-301, dated
28 08/22/2014, between the debtor and secured party together with all attachments, additions,

1 accessories, substitutions and replacements thereto. I am informed and believe that there
2 are no amounts due upon this lien, in that all amounts have been paid in full.

3 f. RCL Funding a division of Navitas Lease Corp., ISAOA. A lien upon
4 computer and office equipment and other items which are not the subject of this sale
5 motion.

6 12. I am requesting that the sale be authorized free and clear of any liens or interests
7 asserted by the Internal Revenue Service; and the Labor Commissioner of the State of California
8 with such liens and encumbrances (*if any*), attaching to the sale proceeds in the same nature,
9 order, validity, and priority as may presently exist.

10 13. I have reviewed the Motion for Order Approving the Sale of Personal Property of
11 the Bankruptcy Estate Free and Clear of Liens; and Memorandum of Points and Authorities. The
12 facts stated therein are true and correct to the best of my knowledge. Based thereon I believe that
13 in my best business judgment that the proposed sale by auction to be fair and equitable under the
14 circumstances as set forth in the Motion.

15 I declare under penalty of perjury under the laws of the United States of America that the
16 foregoing is true and correct. Executed this 9TH day of November, 2017 in the City of
17 Riverside, California.

18 
19 Robert S. Whitmore, Declarant

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EXHIBIT 1

99999.91385\690660.4

Trustee's Motion for Order Approving the Sale of Personal Property of the Bankruptcy Estate -- 000012



EX-FACTORY INC.
 1805 Sardis Road North
 Charlotte, NC 28270 USA
 Tel: +1 704-841-2001
 Fax: +1 704-841-1200
 www.exfactory.com

No. 170536

PURCHASE ORDER

Revised 11/03/2017

TO (SELLER)
 ROBERT S WHITMORE TRUSTEE
 FOR BAUSMAN & COMPANY, INC.
 3600 LIME ST., SUITE 616
 RIVERSIDE, CA 92501

SHIP TO (CUSTOMER)
 To be advised

ATTN: Robert Whitmore
 PH #: 951-276-9292

| | | | | | | | |
|---|--|---------------------------------------|--|---|--|--|---|
| DATE: 09/14/2017 | | SHIPPING POINT: Mantone, CA | | TERMS: See below | | DATE REQUIRED: a.s.a.p | |
| EX-FACTORY, NC LICENSE #: 802 1 060 73739 | | | | SHIP VIA: Flat Bed Trucks - Collect | | FREIGHT / TRANSPORT: <input type="checkbox"/> Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> EX-Factory Pays | |
| QTY | PLEASE SUPPLY THE FOLLOWING GOODS TO THE CONDITIONS SPECIFIED BELOW BY ACCEPTING THIS ORDER YOU CONSENT TO ALL CONDITIONS LISTED ON THIS ORDER | | | | | | PRICE |
| 1 | <p>Used TORIT "484 RFW-12" REVERSE AIR -PUMP - FILTER Filter System with VFD variable speed drive on main blower, energy-saving ECOGATE System, (2) Rotary Air Locks, and material transfer to Cyclone & unloading into containers. Electric: 460 V, 60 Cy, 3 Ph. S/N: 1G500742-2/R08350.10 Cond: 2000, Purchased "As is", as inspected whereby all items will be tagged/recorded on inventory by Buyer, Ken Wong, on or about October 3, 2017.</p> <p>Payment Terms: \$ 5,000 (10%) Deposit included with this PO and is fully refundable if any substantial items (essential to the operation of the system) are missing and not replaced. \$ 45,000 Balance due prior to arranging pickup.</p> <p>This Purchase Order is subject to The Bankruptcy Court approval. Said deposit is fully refundable in the event that the said approval is not obtained.</p> <p>NOTES: Buyer will arrange loading/transportation/rigging. Owner/EXF will provide Buyer with name of company which did the rigging and transportation to existing premises.</p> <p><u>Please include:</u> MANUALS, ELECTRICAL DIAGRAMS, and OTHER HISTORY DOCUMENTS. Please send invoice to EXF with copy of B/L</p> | | | | | | <p>\$ 50,000</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> PLEASE DO NOT USE AS A SHIPPING DOCUMENT </div> <p>Total: \$ 50,000</p> |

TERMS AND CONDITIONS OF PURCHASE

- >PURCHASER reserves right to cancel this order if delivery is not made when, and as specified and if PURCHASER'S CUSTOMER fails to pay according to agreed upon terms, or cancels his order with Purchaser.
- >SELLER and PURCHASER agree that jurisdiction and venue for any action arising out of this transaction shall be Mecklenburg County, North Carolina regardless of the Parties' place of business or the equipment's shipping point.
- >SELLER represents that its officer/employee executing this Purchase Order has been duly authorized to sign and deliver this Purchase Order on behalf of Seller.
- >SELLER and the person signing this Purchase Order represent to the Purchaser that the Seller owns the property being sold hereunder free and clear of liens, encumbrances and claims of third parties. Inv #170536 TC - 20

Juergen Schumacher
 For Purchaser

Accepted by Robert Whitmore
 For Seller
 Date

Free Listing - Domestic & International Sales - Auctions & Liquidations - Freight & Logistic Arrangements - Warehousing & Reconditioning

EXHIBIT “2”

99999.91385\690660.4



Debtor Name Inquiry

To view the details for each filing click the Show Details button at the bottom of the page.

To display the image of a specific filing, click the View icon. A fee will be charged. Refer to the Fee Schedule under the HELP tab above.

This Debtor Name Search was performed on 11/07/2017 10:10 with the following search parameters:

DEBTOR NAME: BAUSMAN AND COMPANY INCORPORATED

MAILING ADDRESS:

City, State, Country:

Date From:

| Order | View | Filing Number | Filing Type | Filing Date | Pages | Lapse Date |
|--------------------------|-------------------------------------|----------------------|------------------|------------------|-------|------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>17-7572609347</u> | Federal Tax Lien | 02/24/2017 17:00 | 1 | 03/26/2027 |

Debtor - BAUSMAN & COMPANY INC, A 1425 S CAMPUS AVE,
 Organization CORPORATION ONTARIO, CA, USA
 91761 - 4366

| Order | View | Filing Number | Filing Type | Filing Date | Pages | Lapse Date |
|--------------------------|-------------------------------------|----------------------|---------------------|------------------|-------|------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>17-7567848700</u> | Financing Statement | 01/25/2017 08:51 | 1 | 01/25/2022 |

Debtor - BAUSMAN & 8687 MELROSE AVENUE, SUITE
 Organization CO. B396,
 WEST HOLLYWOOD, CA, USA
 90069

| Order | View | Filing Number | Filing Type | Filing Date | Pages | Lapse Date |
|--------------------------|-------------------------------------|----------------------|----------------|------------------|-------|------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>16-7563880064</u> | Judgement Lien | 12/28/2016 17:00 | 2 | 12/28/2021 |

Debtor - BAUSMAN AND COMPANY 1425 S. CAMPUS
 Organization INCORPORATED AVE,
 ONTARIO, CA, USA
 91761

Debtor - BAUSMAN AND COMPANY 1425 S. CAMPUS
 Organization INCORPORATED AVE,
 ONTARIO, CA, USA
 91761

| <u>Order</u> | <u>View</u> | <u>Filing Number</u> | <u>Filing Type</u> | <u>Filing Date</u> | <u>Pages</u> | <u>Lapse Date</u> |
|--------------------------|-------------------------------------|----------------------|---------------------|--------------------|--------------|-------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>16-7517289642</u> | Financing Statement | 03/31/2016 06:55 | 1 | 03/31/2021 |

Debtor - BAUSMAN AND COMPANY 1425 S. CAMPUS
 Organization INCORPORATED AVE.,
 ONTARIO, CA, USA
 91761

| <u>Order</u> | <u>View</u> | <u>Filing Number</u> | <u>Filing Type</u> | <u>Filing Date</u> | <u>Pages</u> | <u>Lapse Date</u> |
|--------------------------|-------------------------------------|----------------------|---------------------|--------------------|--------------|-------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>14-7425565089</u> | Financing Statement | 08/22/2014 11:46 | 1 | 08/22/2019 |

Debtor - BAUSMAN AND COMPANY 1425 SOUTH CAMPUS
 Organization INCORPORATED AVENUE,
 ONTARIO, CA, USA
 91761

| <u>Order</u> | <u>View</u> | <u>Filing Number</u> | <u>Filing Type</u> | <u>Filing Date</u> | <u>Pages</u> | <u>Lapse Date</u> |
|--------------------------|-------------------------------------|----------------------|---------------------|--------------------|--------------|-------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>14-7423363508</u> | Financing Statement | 08/06/2014 12:57 | 5 | 08/06/2019 |

Debtor - BAUSMAN AND COMPANY 1425 SOUTH
 Organization INCORPORATED CAMPUS AVE,
 ONTARIO, CA, USA
 91761

Show Details

Order
 Copies:

Order
 Search
 Certificates:

Recording Requested By Internal Revenue Service. When recorded mail to:

INTERNAL REVENUE SERVICE
PO BOX 145595, STOP 8420G
CINCINNATI, OH 45250-5585

17-7572609347

02/24/2017 17:00



FILED

CALIFORNIA
SECRETARY OF STATE

SOS



59902600014

UCC FILING

For Options, Use by Recording Office

Form 668 (Y)(c)

(Rev. February 2004)

6788 Department of the Treasury - Internal Revenue Service

Notice of Federal Tax Lien

Area: SMALL BUSINESS/SELF EMPLOYED AREA #7

Serial Number

Lien Unit Phone: (800) 829-3903

248941917

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer BAUSMAN & COMPANY INC, a Corporation

Residence 1425 S CAMPUS AVE
ONTARIO, CA 91761-4366

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

| Kind of Tax (a) | Tax Period Ending (b) | Identifying Number (c) | Date of Assessment (d) | Last Day for Refiling (e) | Unpaid Balance of Assessment (f) |
|--------------------|-----------------------------|---------------------------|------------------------------|---------------------------------|--|
| 940 | 12/31/2015 | XX-XXX7941 | 05/02/2016 | 06/01/2026 | 19650.11 |
| 941 | 06/30/2016 | XX-XXX7941 | 10/03/2016 | 11/02/2026 | 291.62 |
| 941 | 09/30/2016 | XX-XXX7941 | 12/19/2016 | 01/18/2027 | 2007.54 |
| CIVP | 12/31/2012 | XX-XXX7941 | 11/21/2016 | 12/21/2026 | 10000.00 |
| CIVP | 12/31/2013 | XX-XXX7941 | 11/21/2016 | 12/21/2026 | 10000.00 |

Place of Filing

SECRETARY OF STATE
CALIFORNIA
SACRAMENTO, CA 94235

Total \$ 41949.27

This notice was prepared and signed at OAKLAND, CA, on this, 09th day of February, 2017.

Signature

for G.J. CARTER-LOUIS

Title
ACS SBSE

(800) 829-3903

27-00-0008

(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien
Rev. Rul. 71-466, 1971 - 2 C.B. 409)

Trustee's Motion for Order Approving the Sale of Personal Property of the Bankruptcy Estate
Part I - kept by Recording Office

Form 668 (Y)(c) (Rev. 2-2004)
CAT. NO 60025X

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

201-880-6640

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Felngold & Edelblum, LLC
Two University Plaza
Suite 307
Hackensack, NJ 07601
USA

DOCUMENT NUMBER: 59354280002
FILING NUMBER: 17-7567848700
FILING DATE: 01/25/2017 08:51

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

| | | | | |
|--|--|------------------------|-------------------------------|----------------------|
| OR | 1a. ORGANIZATION'S NAME Beusman & Co. | | | |
| | 1b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX |
| 1c. MAILING ADDRESS 8687 Melrose Avenue, Suite B366 | | CITY West Hollywood | STATE CA | POSTAL CODE 90069 |
| | | | COUNTRY USA | |

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

| | | | | |
|---------------------|--------------------------|---------------------|-------------------------------|-------------|
| OR | 2a. ORGANIZATION'S NAME | | | |
| | 2b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX |
| 2c. MAILING ADDRESS | | CITY | STATE | POSTAL CODE |
| | | | COUNTRY | |

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

| | | | | |
|--|--|---------------------|-------------------------------|----------------------|
| OR | 3a. ORGANIZATION'S NAME Walker Greenbank, Inc. d/b/a Arthur Sanderson and Sons NA, Ltd., Inc. | | | |
| | 3b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX |
| 3c. MAILING ADDRESS 800 Huyler Street | | CITY Teterboro | STATE NJ | POSTAL CODE 07608 |
| | | | COUNTRY USA | |

4. COLLATERAL: This financing statement covers the following collateral:
All samples, sample books and inventory containing wallcoverings, including fabrics, papers etc. manufactured by or for Walker Greenbank, Inc. and/or its subsidiaries and affiliates and all fixtures, displays and furnishings supplied by Walker Greenbank, Arthur Sanderson and Sons, NA or their subsidiaries and/or affiliates.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☒ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY

16-7563880064

12/28/2016 17:00

NOTICE OF JUDGMENT LIEN

FOLLOW INSTRUCTIONS CAREFULLY (front and back of form)

A. NAME & PHONE OF FILER'S CONTACT (optional)
(213-273-8400)

B. SEND ACKNOWLEDGMENT TO: (NAME AND ADDRESS)

The Wage Justice Center
3250 Wilshire Blvd., 13th Flr.
Los Angeles, CA 90010



SOS

FILED

CALIFORNIA
SECRETARY OF STATE



58986880016 UCC FILING

THIS SPACE FOR FILING OFFICE USE ONLY

1. JUDGMENT DEBTOR'S EXACT LEGAL NAME -insert only one name, either 1a or 1b. Do not abbreviate or combine names.

1a. ORGANIZATION'S NAME

BAUSMAN AND COMPANY INCORPORATED

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

1425 S. CAMPUS AVE

ONTARIO

CA

91761

US

2. JUDGMENT CREDITOR'S NAME - Do not abbreviate or combine names.

2a. ORGANIZATION'S NAME

Labor Commissioner of the State of California

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2031 Howe Avenue, Suite 100

Sacramento

CA

95825

US

3. ALL PROPERTY SUBJECT TO ENFORCEMENT OF A MONEY JUDGMENT AGAINST THE JUDGMENT DEBTOR TO WHICH A JUDGMENT LIEN ON PERSONAL PROPERTY MAY ATTACH UNDER SECTION 697.530 OF THE CODE OF CIVIL PROCEDURE IS SUBJECT TO THIS JUDGMENT LIEN.

A. Title of court where judgment was entered: San Bernardino Court House

Justice Center

B. Title of the action: URIEL MORALES v. BAUSMAN AND COMPANY INCORPORATED

C. Number of this action: CIVDS 1601686

D. Date judgment was entered: January 29, 2016

E. Date of subsequent renewals of judgment (if any): _____

F. Amount required to satisfy judgment at date of this notice: \$ \$42,004.62

G. Date of this notice: 27 DEC 2016

4. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct:

SIGNATURE - SEE INSTRUCTION NO. 4

Dated: November 17, 2016

(If not indicated, use same as date in item 3G.)

FOR: The Wage Justice Center

FILING OFFICE COPY

NOTICE OF JUDGMENT LIEN (FORM JL1) (Rev. 8/01)
Approved by the Secretary of State

NO FEE PER LABOR CODES 1911.1, 101.5 and GOV'T CODE 6103.1
Noted on Board Approving of Sale of Personal Property of the Bankruptcy Estate -- 000019

5090600016

JUDGMENT LIEN ADDENDUM

FOLLOW INSTRUCTIONS CAREFULLY (FRONT AND BACK OF FORM)

5. NAME OF JUDGMENT DEBTOR – (NAME OF FIRST DEBTOR ON RELATED JUDGMENT LIEN)

| | | | |
|--|------------|-------------|--------|
| 5a. ORGANIZATION'S NAME BAUSMAN AND COMPANY INCORPORATED | | | |
| 5b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX |
| | | | |

6. ADDITIONAL JUDGMENT DEBTOR – Insert only one name (6a or 6b):

| | | | | |
|--|------------|-------------|-------------|---------|
| 6a. ORGANIZATION'S NAME BAUSMAN AND COMPANY INCORPORATED | | | | |
| 6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX | |
| | | | | |
| 6c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY |
| 1425 S. CAMPUS AVE | ONTARIO | CA | 91761 | US |

7. ADDITIONAL JUDGMENT DEBTOR – Insert only one name (7a or 7b):

| | | | | |
|----------------------------|------------|-------------|-------------|---------|
| 7a. ORGANIZATION'S NAME | | | | |
| 7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX | |
| | | | | |
| 7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY |
| | | | | |

8. ADDITIONAL JUDGMENT DEBTOR – Insert only one name (8a or 8b):

| | | | | |
|----------------------------|------------|-------------|-------------|---------|
| 8a. ORGANIZATION'S NAME | | | | |
| 8b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX | |
| | | | | |
| 8c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY |
| | | | | |

9. ADDITIONAL JUDGMENT CREDITOR – Insert only one name (9a or 9b):

| | | | | |
|----------------------------|------------|-------------|-------------|---------|
| 9a. ORGANIZATION'S NAME | | | | |
| 9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX | |
| | | | | |
| 9c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY |
| | | | | |

10. ADDITIONAL JUDGMENT CREDITOR – Insert only one name (10a or 10b):

| | | | | |
|-----------------------------|------------|-------------|-------------|---------|
| 10a. ORGANIZATION'S NAME | | | | |
| 10b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX | |
| | | | | |
| 10c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY |
| | | | | |

UCC FINANCING STATEMENT

FOLLOWING INSTRUCTIONS

| |
|---|
| A. NAME & PHONE OF CONTACT AT FILER (optional) Gisella Melendez 800-331-3282 |
| B. E-MAIL CONTACT AT FILER (optional) |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address) CT LIEN SOLUTIONS 2727 ALLEN PARKWAY HOUSTON, TX 77019 USA |

DOCUMENT NUMBER: 54242580002
FILING NUMBER: 16-7517289542
FILING DATE: 03/31/2016 06:55

IMAGE GENERATED ELECTRONICALLY FOR XML FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); If any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

| | | | | | |
|--|---|---------------------|-------------------------------|----------------------|----------------|
| OR | 1a. ORGANIZATION'S NAME BAUSMAN AND COMPANY INCORPORATED | | | | |
| | 1b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX | |
| 1c. MAILING ADDRESS 1425 S. Campus Ave. | | CITY Ontario | STATE CA | POSTAL CODE 91761 | COUNTRY USA |

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); If any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

| | | | | | |
|---------------------|--------------------------|---------------------|-------------------------------|-------------|---------|
| OR | 2a. ORGANIZATION'S NAME | | | | |
| | 2b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX | |
| 2c. MAILING ADDRESS | | CITY | STATE | POSTAL CODE | COUNTRY |

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

| | | | | | |
|---|---|------------------------|-------------------------------|----------------------|----------------|
| OR | 3a. ORGANIZATION'S NAME Summit Financial Resources, L.P. | | | | |
| | 3b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX | |
| 3c. MAILING ADDRESS 2455 East Parleys Way, Suite 200 | | CITY Salt Lake City | STATE UT | POSTAL CODE 84109 | COUNTRY USA |

4. COLLATERAL: This financing statement covers the following collateral:
All assets of Debtor, now owned or hereafter acquired or created, all proceeds and products of the foregoing, all additions and accessions thereto, all rents, profits and issues thereof.

Debtor has agreed to not sell, factor or otherwise finance its accounts and to not grant any other security interest in its accounts or inventory. Public notice of this agreement is hereby given.

| | |
|--|--|
| 5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, Item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative | |
| 6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility | 6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing |
| 7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licenseor | |
| 8. OPTIONAL FILER REFERENCE DATA: CA-0-53204060-51329600 | |

FILING OFFICE COPY

UCC FINANCING STATEMENT

FOLLOWING INSTRUCTIONS

| |
|---|
| A. NAME & PHONE OF CONTACT AT FILER (optional) Gisella Melendez 800-331-3282 |
| B. E-MAIL CONTACT AT FILER (optional) |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address) CT LIEN SOLUTIONS 2727 ALLEN PARKWAY HOUSTON, TX 77019 USA |

DOCUMENT NUMBER: 44525800002
FILING NUMBER: 14-7425555089
FILING DATE: 08/22/2014 11:48

IMAGE GENERATED ELECTRONICALLY FOR XML FILING
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| | | | | |
|--|--|----------------------------|---|-----------------------------|
| 1. DEBTOR'S NAME: Provide only <u>gag</u> Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here <input type="checkbox"/> and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad) | | | | |
| OR | 1a. ORGANIZATION'S NAME BAUSMAN AND COMPANY INCORPORATED | | | |
| | 1b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX |
| 1c. MAILING ADDRESS 1425 SOUTH CAMPUS AVENUE | | CITY ONTARIO | STATE CA | POSTAL CODE 91781 |
| COUNTRY USA | | | | |
| 2. DEBTOR'S NAME: Provide only <u>gag</u> Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here <input type="checkbox"/> and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad) | | | | |
| OR | 2a. ORGANIZATION'S NAME | | | |
| | 2b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX |
| 2c. MAILING ADDRESS | | CITY | STATE | POSTAL CODE |
| COUNTRY | | | | |
| 3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only <u>gag</u> Secured Party name (3a or 3b) | | | | |
| OR | 3a. ORGANIZATION'S NAME Financial Pacific Leasing, Inc. | | | |
| | 3b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX |
| 3c. MAILING ADDRESS P.O. Box 4568 | | CITY FEDERAL WAY | STATE WA | POSTAL CODE 98001 |
| COUNTRY USA | | | | |
| 4. COLLATERAL: This financing statement covers the following collateral: All equipment and other personal property, now or hereafter the subject of that certain Agreement, relating to Financial Pacific Leasing, Inc., Contract # 001-0963589-301, dated 08/22/2014, between the Secured Party and Debtor, together with all attachments, additions, accessories, substitutions and replacements thereto, any and all Insurance and other proceeds of the foregoing. | | | | |
| 5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, Item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative | | | | |
| 6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility | | | 6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing | |
| 7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor | | | | |
| 8. OPTIONAL FILER REFERENCE DATA: CA-0-44600152-48943433 | | | | |

FILING OFFICE COPY

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

| | |
|---|--|
| A. NAME & PHONE OF CONTACT AT FILER (optional) Gisela Melendez 800-331-3282 | |
| B. E-MAIL CONTACT AT FILER (optional) | |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address) CT LIEN SOLUTIONS 2727 ALLEN PARKWAY HOUSTON, TX 77019 USA | |

DOCUMENT NUMBER: 44280940002
FILING NUMBER: 14-7423353508
FILING DATE: 08/08/2014 12:57

IMAGE GENERATED ELECTRONICALLY FOR XML FILING
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1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

| | | | | | |
|--|--|---------------------|-------------------------------|----------------------|----------------|
| OR | 1a. ORGANIZATION'S NAME Bauman and Company Incorporated | | | | |
| | 1b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX | |
| 1c. MAILING ADDRESS 1425 South Campus Ave | | CITY Ontario | STATE CA | POSTAL CODE 91761 | COUNTRY USA |

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

| | | | | | |
|---------------------|--------------------------|---------------------|-------------------------------|-------------|---------|
| OR | 2a. ORGANIZATION'S NAME | | | | |
| | 2b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX | |
| 2c. MAILING ADDRESS | | CITY | STATE | POSTAL CODE | COUNTRY |

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

| | | | | | |
|--|---|---------------------------|-------------------------------|----------------------|----------------|
| OR | 3a. ORGANIZATION'S NAME RLC Funding a division of Navitas Lease Corp., ISAOA | | | | |
| | 3b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX | |
| 3c. MAILING ADDRESS 814 Highway A 1A North, Suite 205 | | CITY Ponte Vedra Beach | STATE FL | POSTAL CODE 32082 | COUNTRY USA |

4. COLLATERAL: This financing statement covers the following collateral:

See Attachment(s)

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☒ Lessee/Lessor ☐ Consignor/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensee

8. OPTIONAL FILER REFERENCE DATA:
CA-0-44398505-48882362

FILING OFFICE COPY

See Attached Schedule

This page and any following pages include and merge any text received for the collateral description with any attachments.

SCHEDULE "A" EQUIPMENT
For the Lease or Finance Agreement Between:

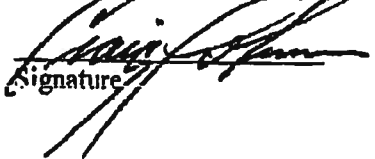
Lessor/Secured Party: RLC FUNDING, A DIVISION OF NATIVAS LEASE CORP. and,

Lessee/Debtor: BAUSMAN AND COMPANY INCORPORATED

Location: 1426 SOUTH CAMPUS AVENUE, ONTARIO, CA 91781

- 1 - Dell OptiPlex Business workstation
 - Intel Core i5-2400 CPU 3.10GHz
 - 4GB DDR3 SDRAM (1600MHz)
 - 16x DVD-RW+
 - 500GB SATA Harddrive
 - Onboard Intel HD2000 video (Support for triple monitors)
 - MS Windows 7 Professional 64-bit
 - Dell KB/MS Combo
 - 1 - 24" LCD Monitor
 - 1 - MS Office 2013 Home & Business (Includes MS Word, Excel, Outlook, OneNote, Powerpoint)
 - 1 - Upgrade HD to 128GB SSD (for performance)
 - 3 - USB 3.0 External 2TB Harddrive (for backups)
 - 1 - Syncback Pro
 - 44 - Managed Endpoint Protection (annual subscription)
 - 17 - Dell 23" LCD Monitor
 - 1 - Adobe Photoshop CS6 - complete package
 - 1 - Adobe Indesign CS6 - complete package
 - 7 - Adobe Photoshop Elements 12
 - 4 - MS Office 2013 Professional (Includes MS Word, Excel, Outlook, OneNote, Powerpoint, Access, Publisher)
 - 13 - MS Office 2013 Home & Business (Includes MS Word, Excel, Outlook, OneNote, Powerpoint)
 - 16 - Adobe Acrobat 11.0 Standard
 - 1 - Microsoft Expression Studio 4 Web Professional (replaces MS Frontpage)
 - 1 - Dell Precision T1650 Minitower Business workstation (Eng. SOLIDWORKS)
 - Intel i7-3770 CPU
 - 16GB DDR3 SDRAM (1600MHz)
 - 256GB SSD Harddrive
 - 16x DVD RW+
 - 1GB AMD FirePro V4900 with 3 monitor support video
 - Integrated 10/100/1000 Ethernet adapter
 - Integrated Dell Audio
 - MS Windows 7 Professional 64-bit
 - Dell KB/MS combo (S/N: C0041414a)
 - 15 - Dell OptiPlex Business workstation (ADMIN)
 - Intel Core i5-4440 CPU 3.10GHz
 - 4GB DDR3 SDRAM (1600MHz)
 - 16x DVD-RW+
 - 500GB SATA Harddrive
 - Dell Wireless-N 1705 + Bluetooth 4.0
 - Onboard Intel HD2000 video (Support for triple monitors)
 - MS Windows 7 Professional 64-bit
 - Dell KB/MS Combo
- (S/N: C0041414a,b,c,d,e,f,g,h,i,j,k,l,m,n,o)

This Equipment Schedule is attached and made part of the above referenced Agreement and constitutes a true and accurate description of the Equipment and/or other collateral.


Signature

CRAG Johnson
Print Name

LES
Title

8/5/14
Date

Rev 061911

SCHEDULE "A" EQUIPMENT
For the Lease or Finance Agreement Between:

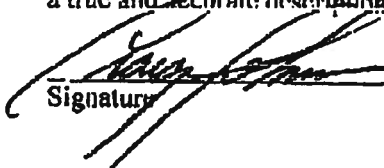
Lessor/Secured Party: RLC FUNDING, A DIVISION OF NATIVAS LEASE CORP. and,

Lessee/Debtor: BAUSMAN AND COMPANY INCORPORATED

Location: 1425 SOUTH CAMPUS AVENUE, ONTARIO, CA 91761

- 7 - Dell Optiplex 960 (FACTORY)
 - Core 2 Duo 3.0 GHZ
 - 4GB of Memory
 - 80GB Drive
 - DVD/RW
 - Mid Tower
 - MS Windows 7 Professional 32-bit (S/N: C0041414p,q,r,s,t,u,v)
- 15 - MS Office Home & Business (Includes MS Word, Excel, Outlook, Onenote, Powerpoint)
- 5 - Dell OptiPlex Business workstation
 - Intel Core i5-4570 CPU
 - 4GB DDR3 SDRAM (1600MHz)
 - 16x DVD-RW+-
 - 500GB SAST Harddrive
 - Onboard Intel HD4600 video (Support for triple monitors)
 - MS Windows 7 Professional 64-bit
 - Dell KB/MS Combo
- 1 - Netgear 5 port switch
- 3 - Microsoft Office 2013 Professional
- 1 - SAMSUNG 1117R Black 32" 8ms(GTGT) HDMI Large Format Monitor 1366 x 768 300 cd/m2 3500:1
- 1 - Dell Inspiron workstation
 - Intel Core i5 4570 CPU
 - 8GB DDR3 SDRAM (1600MHz)
 - 16x DVD-RW+-
 - 500GB SAST Harddrive
 - Onboard Intel HD4600 video (Support for triple monitors)
 - MS Windows 7 Professional 64-bit
 - Dell KB/MS Combo
- 1 - Dell Inspiron workstation
 - Intel Core i5-4570 CPU
 - 8GB DDR3 SDRAM (1600MHz)
 - 16x DVD-RW+-
 - 500GB SAST Harddrive
 - Onboard Intel HD4600 video (Support for triple monitors)
 - MS Windows 7 Professional 64-bit
 - Dell KB/MS Combo
- 1 - JBL Wired Speakers
- 1 - Microsoft Expression Studio 4 Web Professional
- 5 - MS Windows 7 Pro 64Bit (License only)
- 1 - Cisco SG300-52 Managed 52 port 10/100/1000 Ethernet Switch
- 3 - CT10 compatible Bluetooth barcode scanner
- 7 - DVI to VGA Adapter
- 6 - Roll up Keyboard
- 1 - ATP-400UB Black 2 Buttons USB Wired Touchpad Mouse
- 1 - APC 550va UPS
- 1 - Cisco SG300-52 Managed 52 port 10/100/1000 Ethernet Switch
- 1 - Networking Hardware: RJ45 jacks / faceplates / ends Wire Management materials
- 2 - Adobe Photoshop CS6 - complete package

This Equipment Schedule is attached and made part of the above referenced Agreement and constitutes a true and accurate description of the Equipment and/or other collateral.

 CRAIG Johnson Pres 8/5/14
Signature Print Name Title Date

Rev 061911

SCHEDULE "A" EQUIPMENT
For the Lease or Finance Agreement Between:

Lessor/Secured Party: RLC FUNDING A DIVISION OF NATIVAS LEASE CORP. _____ and,

Lessee/Debtor: BAUSMAN AND COMPANY INCORPORATED _____

Location: 1425 SOUTH CAMPUS AVENUE, ONTARIO, CA 91761 _____

- 1 - Brother R420 Drum
- 1 - Vclum Tape
- 1 - Roll up Foldable Keyboard
- 2.25 - Netgear 16 port 10/100 PoE Ethernet switch
- 1 - Networking Hardware: CAT5e Cable, 2- 24 port patch panels, CAT5e Patch cables, RJ45 jacks / faceplates / ends, Wire Management materials, Caddy Cat 21 J-hook w/wire clip, Wall mount swing out cabinet, black, 23"W(19" useable) X 21"H(14" useable) X 17"D(15" useable), 8 RMU
- (8) Dell SonicWALL SonicPoint-Ne Dual-Band
- 1 - Switch gear, -(3) NETIS UM 8 port 10/100/1000 Ethernet switch, -(2) Startech Gigabit fiber media converter

This Equipment Schedule is attached and made part of the above referenced Agreement and constitutes a true and accurate description of the Equipment and/or other collateral.

Signature

Print Name

Title

Date

[Signature] CHRIS JOHNSON Pres 8/5/14

REV 061911

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
3390 University Avenue, Fifth Floor, Riverside, California 92501

A true and correct copy of the foregoing document entitled (*specify*): MOTION FOR ORDER APPROVING THE SALE OF PERSONAL PROPERTY OF THE BANKRUPTCY ESTATE FREE AND CLEAR OF LIENS; MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATION OF ROBERT S. WHITMORE IN SUPPORT THEREOF

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 11/10/2014, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) 11/10/2014, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 11/10/2014, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

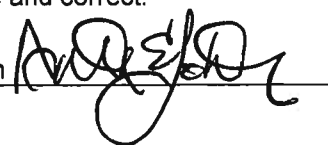
☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

11/10/2014
Date

Arthur E. Johnston
Printed Name

Arthur E. Johnston
Signature



SERVICE LIST

In re: Bausman and Company Incorporated
6:17-bk-10724-MH

No. 1 (NEF)

- Franklin C Adams franklin.adams@bbklaw.com,
arthur.johnston@bbklaw.com;lisa.spencer@bbklaw.com
- Peter C Bronson pbronson@pbronsonlaw.com
- Everett L Green everett.l.green@usdoj.gov
- Sayuri J Hirahara jhirahara@caddenfuller.com
- Thomas P Kelly tomkelly@sonic.net, elric@sonic.net
- William A Smelko William.Smelko@procopio.com,
Kristina.terlaga@procopio.com;calendaring@procopio.com
- United States Trustee (RS) ustpregion16.rs.ecf@usdoj.gov
- Carol G Unruh cgunruh@sbcglobal.net
- Robert Whitmore (TR) rswtrustee@yahoo.com, rwhitmore@ecf.epiqsystems.com

No. 3 (Personal Delivery)

Hon. Judge Mark H. Houle
United States Bankruptcy Court
Bin Outside RS Courtroom 303

No. 2 (U. S. Mail)

Debtor

Bausman and Company Incorporated
1500 Crafton Ave.
Mentone, CA 92359

Potential Buyer

Juergen Schumacher
Ex-Factory, Inc.
1805 Sardis Road North
Charlotte, NC 28270

Lienholders

Department of the Treasury

Internal Revenue Service
P. O. Box 7346
Philadelphia, PA 17101-7346

Internal Revenue Service

P. O. Box 14595, Stop 8420G
Cincinnati, OH 45250-5585

U.S. Attorney General

United States Department of Justice
Ben Franklin Station
P. O. Box 683
Washington, DC 20044

Civil Process Clerk

United States Attorney's Office
Federal Building, Room 7516
300 North Los Angeles Street
Los Angeles, CA 90012

Walker Greenbank, Inc.

dba Sanderson and Sons NA, Ltd., Inc.
800 Huyler St.
Teterboro, NJ 07606

Corporation Service Company

Agent for Service of Process for
Arthur Sanderson and Sons
80 State St
Albany, NY 12207-2541

**Labor Commissioner of
the State of California**

Re: Morales v. Bausman
2031 Howe Ave., Suite 100
Sacramento, CA 95825

Employment Development Department

Bankruptcy Group MIC 92E
Sacramento, CA 94280-0001

Office of the Attorney General

for the State of California
300 South Spring Street
Los Angeles, CA 90013-1230

Summit Financial Resources, L.P.

2455 East Parleys Way, Suite 200
Salt Lake City, UT 84109

C T Corporation System

Agent for service of process for
Summit Financial Resource, L.P.
Attention: Vivian Imperial
818 W. Seventh St Ste 930
Los Angeles California 90017

Financial Pacific Leasing, Inc.

P. O. Box 4568
Federal Way, WA 98001

C T Corporation System

Agent for service of process for
Financial Pacific Leasing, Inc.
Attention: Vivian Imperial
818 W. Seventh St Ste 930
Los Angeles California 90017

RLC Funding

a division of Navitas Lease Corp., ISAOA
814 Highway A1ANorth, Suite 205
Porte Vedra Beach, FL 32082

Corpdirect Agents, Inc.

Agent for Service of Process for
Navitas Credit Corp.
(Formerly Navitas Lease Corp.)
818 W 7th Street, Suite 930
Los Angeles, California 90017-3476